Worth of SAIL

1847. SHRI RAJKUMAR DHOOT: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that net worth of SAIL at present is about Rs. 2252 crores against Rs. 8000 crore in 1997;

(b) if so, the reasons for the fall in net worth; and

(c) the steps being taken to improve the net worth of SAIL?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY): (a) Yes, Sir.

(b) The reasons for fall in net worth are as follows:

* Adverse market conditions, surplus capacity in the domestic and international market, subdued economic activities, fall in domestic and global prices of steel, social costs, increase in input prices, high manpower cost, etc.
* Increase in Provisions for Deferred Revenue Expenditure on account of VRS, Gratuity, Leave encashment and settlement benefits etc. in compliance with Accounting Standards.

(c) Some of the major steps being taken to improve the net worth of SAIL are:

* Business restructuring envisaging divestment of non-core assets.
* Intensive cost control.
* Control on capital expenditure.
* Market oriented product-mix, reinforcing sales and marketing efforts, greater focus on customer satisfaction.
* Rightsizing of Manpower.
* Reduction in borrowings.

Growth of steel industry

1848. SHRI SURESH PACHOURI: Will the Minister of STEEL be pleased to state:

(a) whether the growth of the steel industry has been slower than expected;

(b) if so, the reasons therefor; and

(c) how Government propose to improve its growth?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY): (a) and (b) Yes, Sir. The growth of the steel industry has been slower than expected due to the demand constraints and other factors, which include:

* Overall economic slow down in the country.
* Lack of investment by Government/private sectors in major infrastructure projects.
* Cost escalation in the input materials for iron and steel.
* Continuous reduction in import duty on iron and steel and hence greater competition from imports.
* Instances of dumping finished steel in the coountry.
* Adverse conditions in export markets for iron and steel.

(c) The Government has taken several steps to increase the production of steel, such as modernisation and expansion of public sector steel plants and adoption of various policy measures to encourage creation of additional steel production capacity in the private sector. Indian Steel Producers have also been taking steps to meet the domestic requirement of steel including up-gradation of technology, improvement in productivity, improvement in quality of products and adoption of an appropriate product-mix to suit the requirements of the consumers.

Mining by KIOCL

1849. SHRI JANARDHANA POOJARY: Will the Minister of STEEL be pleased to state:

(a) the details of the total investment made on Kudremukh Iron Ore Company Limited, Kudremukh, Karnataka, (KIOCL), the company's production, exports and the profit earned with Foreign Exchange components, during the last three years;